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April 30, 1999

Magalie R. Salas
Secretary
Federal Communications Commission
445 12th Street, S.W.
Room TW – B204F
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

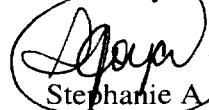
RE: *Ex parte meeting in Docket 96-128*

Dear Ms. Salas:

On April 29, 1999, the undersigned counsel and members of the International Telecard Association met with Sarah Whitesell, Legal Advisor to Commissioner Gloria Tristani. At the meeting, issues regarding payphone service provider compensation were discussed and the attached materials were distributed.

Please do not hesitate to contact me should you have any questions.

Sincerely,


Stephanie A. Joyce
Counsel for ITA

Enclosures

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APR 30 1999**Federal Communications Commission
Office of Secretary****International Telecard Association****Dial-Around Compensation and Prepaid Phone Cards****April 29, 1999**

- **The 1996 Act and PSP Compensation**
 - Section 276 requires carriers to pay “fair compensation” to PSPs for completed calls.
 - The FCC has implemented a call tracking system for paying carriers, requiring PSPs to provide payphone coding digits for verifying calls.
 - Several carriers have obtained waivers of these requirements lasting through March 1999 – many are still not compliant.

- **Prepaid Card Providers and Call Blocking**
 - Prepaid card providers require coding digits in real time in order to block payphone calls or to debit card to recover costs.
 - The Common Carrier Bureau waiver decision does not address fact that prepaid providers cannot “bill” customers.
 - ITA’s application for full FCC review of the Bureau’s waiver decision has yet to be decided.
 - Prepaid industry is small but provides crucial service to travelling and low-income consumers.
 - It is unreasonable to treat small prepaid industry the same as large IXC’s regarding coding digits and PSP compensation.



A Trade Association for the Fastest Growing Segment of the
Telecommunications Industry – Telecards

What is the ITA?

The International Telecard Association was formed in 1995. Among its current responsibilities:

- Promotes the use of telecards by educating the public, businesses, and policy official about prepaid phone cards.
- Provides an Ombudsman service to consumers who have difficulty with or concerns about telecards.
- Provides information on government actions involving the telecard industry.
- Represents the telecard industry before government agencies, legislatures, regulators, and non-government groups.
- Encourages businesses in the telecard industry to uphold the highest ethical standards
- Develops technical and ethical standards for the industry.
- Provides objective spokespersons to the media, government, businesses, and individuals about the telecard industry.

What has the International Telecard Association done recently?

- Started the International Telecard Foundation for Consumer Protection and Education
- Run the Consumer Hotline and has plans to add a Hispanic Consumer Hotline.
- The ITA Consumer Brochure—17,000 copies already distributed. Available in Spanish and English.
- Provided input to the Federal Communications Commission on court-ordered revisions for the dial-around compensation (DAC) regulations.
- Successful work with the PSC of Florida – the most comprehensive regulation of prepaid phone cards which will be the national model.
- Successful work with the California legislature to adopt phonecard rules acceptable to the industry.
- Successful work with the Utility Commission of Washington state to adopt rules acceptable to the industry.
- Petitioned for Writ of Certiorari with the Supreme Court versus the Federal Communications Commission.

How do I learn more about the ITA?

For more information on the ITA, call Howard Segermark, Executive Director of the ITA, at (202) 544-4448. You may also want to visit our website at www.telecard.org.

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